PROVISIONAL

E/2003/SR.20
6 October 2005

ENGLISH
Original: FRENCH

ECONOMIC AND SOCIAL COUNCIL

Substantive session of 2003

PROVISIONAL SUMMARY RECORD OF THE 20th MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 3 July 2003, at 3 p.m.

President: Mr. HUSSEIN (Ethiopia)
(Vice-President)

CONTENTS

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION (continued)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva.

GE.03-62885 (E) 140705 061005

In the absence of Mr. Rosenthal (Guatemala), Mr. Hussein (Ethiopia), Vice-President, took the Chair.

The meeting was called to order at 3.10 p.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION (agenda item 3) (continued) (E/2003/CRP.1)

Dialogue with executive heads of the United Nations funds and programmes

Mr. MALLOCH BROWN (Administrator, United Nations Development Programme) noted that, as the cycle of United Nations conferences and summits drew to a close, the time had come to take stock. The International Conference on Financing for Development in Monterrey (Mexico) had resulted in a compact for sustainable development between donors and programme countries with the same goals as those set forth in the Millennium Declaration. At the World Summit on Sustainable Development in Johannesburg (South Africa), the emphasis had been on the need to translate words into action. In February 2003 in Rome, representatives of donor and programme countries had adopted a declaration that called for a streamlining of donor procedures and practices, based on the principle of full country ownership. It was now for the funds and programmes to spearhead the change, rather than merely reacting to it.

The United Nations system was providing itself with appropriate mechanisms for that purpose. The Millennium Development Goals constituted an agreed set of targets for development cooperation. Country programmes had a uniform format, based on the United Nations Development Assistance Framework (UNDAF). Agreement had been reached on joint programming and progress was being made on pooling of funds and the establishment of a financial reporting system that was clear and shared by all. It was now up to the United Nations system to reinforce its field presence, thereby enabling it to provide support to Governments and civil society in achieving Millennium Development Goals.

Ms. BELLAMY (Executive Director, United Nations Children's Fund - UNICEF) said that the United Nations funds and programmes had been engaged in simplifying and harmonizing their rules and procedures in application of General Assembly resolution 56/201 on the triennial policy review of operational activities for development of the United Nations

system. In so doing, they had undertaken to ensure country ownership of the programmes concerning them: to allow Governments to decide on the priorities; to undertake a comprehensive review of the country programme preparation and implementation process; and to identify a series of key issues requiring concerted action. Rather than a procedural stock-taking of best practices and an attempt to find the highest common denominator, the exercise had been intended as an in-depth analysis of the nature of the work carried out by the funds and programmes, of their role vis-à-vis other partners and beneficiaries and of ways of empowering field offices and government partners.

A series of common tools and instruments, which were a continuation of the Common Country Assessment and UNDAF processes, were designed to establish a link between United Nations support and national plans, including Poverty Reduction Strategy Papers (PRSPs), where they existed. Those instruments were based on the principle that all activities must be oriented towards the full and timely implementation of the Millennium Development Goals and the outcomes of the recent international conferences and summits. The most recent of those instruments, the Country Programme Action Plan (CPAP), provided each agency with a standard format for planning and budgeting for the duration of the programme cycle. A joint evaluation plan would use the goals of the UNDAF process to measure the effectiveness of the activities undertaken and ensure transparency in the evaluation of programmes. Instead of holding four separate meetings with their national counterparts, the funds and programmes would henceforth hold joint strategy meetings, thus reducing the workload for all partners, ensuring greater transparency and comparability and allowing for better monitoring of progress. The new CPAP would shortly be introduced in the five countries that were to start a new programme cycle in 2004, namely, Benin, Ecuador, Kenya, Niger and Pakistan. The current efforts to simplify and harmonize the rules and procedures would help increase efficiency, reduce transaction costs and provide Governments with more effective support as they implemented their national plans and the Millennium Development Goals.

Ms. OBAID (Executive Director, United Nations Population Fund - UNFPA) said that since the adoption of the Millennium Declaration in September 2002 the objectives contained therein had become a road map for national development and international

cooperation. As a result, new opportunities had been created for concerted action to achieve global peace, security and prosperity. The PRSPs, launched in 1999, were part of the international community's commitment to poverty reduction. In order to reach that goal, it was necessary to establish a link between the Millennium Development Goals and PRSPs; hence the determination of the Bretton Woods institutions and other bodies of the United Nations system to let the PRSP process be driven by the Millennium Development Goals. The Common Country Assessment process provided the United Nations system with a powerful analytical tool to ensure that PRSPs became more closely targeted on the most disadvantaged sectors of society.

Formulating poverty reduction strategies that benefited the poor was one of the major challenges to the United Nations system for the future. A number of reviews of the PRSP process had highlighted the fact that, while government ownership of programmes had increased, national ownership had not. Moreover, macroeconomic policies failed to take adequate account of the problems of women. Given that poverty affected women disproportionately, especially those who were heads of households, the promotion of gender equality and women's empowerment must be placed at the heart of the PRSP process. Furthermore, there was a tendency to overemphasize the macroeconomic facets of development to the detriment of social considerations. In order to wage a successful war against poverty, the United Nations system must improve its collaboration with the Bretton Woods institutions, particularly at the country level, and strengthen its field presence.

Mr. GRAISSE (Deputy Executive Director, World Food Programme - WFP) said that all too often the humanitarian assistance and development community failed to recognize that prevention and preparation were more important than emergency assistance. Similarly, food, funding and material aid started to flow in large quantities only after images of starving children had appeared on television screens. While it was essential to save lives, preserving and protecting livelihoods, particularly of the rural poor, was essential to preventing the vicious cycle of hunger and poverty. The international community must take concerted action to respond adequately to new threats, especially the AIDS pandemic, which was not only a health crisis, but also a major cause of malnutrition and food insecurity. Prevention, too, was crucial and the diplomatic efforts made to prevent and resolve conflicts could contribute greatly to reducing

emergency food crises. Recovery and rehabilitation programmes were equally important, because crises were often caused by insufficient attention and resources being devoted to help the poor to recover from the effects of the previous emergency. The international community was thus called on to take concerted action to map out the areas most vulnerable to natural disasters; increase investment in infrastructure for the most vulnerable; and, above all, support long-term strategies that combined disaster relief and sustainable development programmes.

Mr. GONZALES (El Salvador) stressed the importance of political will on the part of States, especially in the formulation of preventive measures and asked whether organizations of the United Nations system envisaged joint communication strategies to raise the international community's awareness of the need to assist developing countries in achieving the Millennium Development Goals.

Mr. BELLOT (France) said that, while the core resources available to United Nations bodies continued to decline and to be replaced by voluntary contributions, the Bretton Woods institutions had escaped that phenomenon. That trend was a clear indication of donors' choices and might well be caused by their uncertainty about who was doing what in the United Nations Development Group (UNDG), an entity bringing together 27 bodies whose competencies were not always clearly defined; 23 of those bodies, for example, were involved in water issues while 12 worked in the fight against AIDS. He wondered whether the effort to simplify and harmonize procedures should aim to replicate the World Bank system, and whether the United Nations system should be reviewed with a view to securing complementarity with the Bretton Woods institutions.

In terms of budgetary allocations, strategies of both donors and partners were increasingly aligned with the Millennium Development Goals. He wished to know what role United Nations bodies played in the context of the new arrangements and what comparative advantages they offered.

Mr. ISAKOV (Russian Federation) drew attention to the interdependence between humanitarian aid and development. In the context of transition programmes, the capacity for rapid intervention in a wake of a conflict on the basis of an explicit mandate and the ability to mobilize sufficient resources to address emergency situations were crucial to effective

action by United Nations bodies. It would be useful to know how the directors of funds and programmes assessed the effectiveness of relief measures in countries such as Afghanistan and Iraq and, in the light of those experiences, how implementation of the programmes needed to be modified to take account of local realities.

The main task of the United Nations funds and programmes should be to assist developing countries in achieving the Millennium Development Goals. He asked whether, at the implementation stage, those countries had any room for manoeuvre in establishing an order of priority among the various objectives to take account of individual local conditions.

His Government welcomed the consolidation of the system of resident coordinators, but considered that maintaining a balance between the various United Nations bodies in the recruitment process should not become an end in itself. Most importantly, the candidates' competencies should match the priorities established for the cooperation between programme countries and the United Nations system.

Mr. ROHNER (Observer for Switzerland) noted with satisfaction that the efforts made by United Nations bodies to harmonize and simplify their procedures had led to a marked improvement in recent years. He wished to know whether the different bodies envisaged joint assessments, and expressed the hope that the members of the Council would at last be provided with statistics on the operational activities of the entire multilateral framework, including the International Development Association and the regional development banks, to enable them to pinpoint global trends and make an assessment accordingly.

Ms. FAIDUTTI (World Federation of United Nations Associations), referring to the possible establishment of a new legal framework governing relations between donors and project entities to avoid fragmentation, asked how national United Nations associations could best collaborate with field offices, especially those of UNDP, to bring about the necessary changes. She asked whether non-governmental organizations (NGOs) would participate in the new consultative process envisaged for the UNDAF process.

Mr. MALLOCH BROWN (Administrator, United Nations Development Programme), replying to members' questions and comments, said that the decline in core resources available to United Nations bodies did not indicate a lack of coherence within the system itself, but rather, among donor country Governments. The Bretton Woods institutions were immune to that phenomenon partly because their funds were protected by agreements that had treaty status.

It should be borne in mind that the purpose of the United Nations system was not to supplement country budgets or to provide substantial financial assistance. Its role was to assist government agencies and civil society organizations in increasing their capacity to manage effectively the international financial assistance provided by donor countries. That role was different from and complementary to the role of the international financial institutions.

The Millennium Development Goals - together with the other key elements of the follow-up to the major international conferences - were pivotal to the joint strategy drawn up by the various partners involved in implementing country programmes. Such a framework would inevitably promote coherent action and synergy at country level.

The simplification and harmonization of procedures were a first step. The current reform process had four objectives: to provide technical assistance for the pooling of financial resources provided by donors, based on the model currently employed in countries such as Zambia; to ease the burden on programme countries by limiting the number of reports required; to formulate simple unified recommendations for donors and programme countries; and to avoid a proliferation of small entities within the system working independently of one another in countries without a resident coordinator, by strengthening the arrangements for technical assistance at the subregional level.

Ms. BELLAMY (General Director, United Nations Children's Fund), referring to the political will of States, said that mutually agreed goals had been set by Governments themselves, not by the United Nations. States obviously had considerable freedom to determine what means were to be used to attain them. Kenya, for example, had recently decided to guarantee primary education to all children irrespective of the cost.

Joint communications campaigns were a very effective tool for awareness-raising and prevention activities. United Nations bodies used such campaigns, inter alia, in the fight against polio and other diseases, and also in the campaign to combat AIDS, particularly in the context of the Joint United Nations Programme on HIV/AIDS (UNAIDS).

As to the decline in core resources of the different bodies, it was clear that Governments of donor countries made budgetary choices, the consequences of which had to be taken into account. While it was true that some of the organizations' work had the same thematic focus, each acted in its own area of competence. In the field of water management, for example, the Food and Agriculture Organization of the United Nations (FAO) dealt with fisheries, UNICEF with safe drinking water and sanitation, and the United Nations Industrial Development Organization (UNIDO) with the industrial use of water resources.

The question on transition programmes would be addressed in detail during a briefing on the activities of the Working Group on Transition and in the debate on humanitarian affairs.

As to Common Country Assessments, a joint monitoring and evaluation plan using simplified methods would enable the results of development assistance activities to be measured. The review to be undertaken during the fourth year of the country programmes was to all intents and purposes a common assessment.

Ms. OBAID (Executive Director, United Nations Population Fund) said that there was a degree of flexibility in setting priorities among the Millennium Development Goals and that the country teams cooperate with Governments in determining to what extent those goals were consistent with domestic priorities. Thus, in the UNFPA's area of competence, a number of countries had set new targets for universal access to reproductive health, taking into account their own particular needs.

Mr. GRAISSE (Deputy Executive Director, World Food Programme), speaking in reference to mechanisms to assist recovery after disasters, said that the WFP Executive Board had created a new category of programmes entitled "Protracted Relief and Recovery Operations" that were relatively well funded. However, WFP activities were generally limited to the immediate aftermath of a crisis, since its resources might be required for emergency intervention elsewhere.

It had to be acknowledged that donor Governments were more likely to fund disaster relief than to make resources available for development assistance.

Mr. HASSELBALCH (Denmark) asked whether, in the light of efforts made to simplify and harmonize procedures, the United Nations funds and programmes envisaged joining in similar efforts made by bilateral donors and the authorities of a given country, as, for example, in the case of Zambia.

With regard to cooperation between the World Bank and the United Nations, and with specific regard to the relationship between PRSPs and the Millennium Development Goals, he asked whether provision had been made for settling disputes between the two organizations concerning a given country. In the absence of a middle ground, the two parties might lose their comparative advantage. Not all the strategy papers took full account of the considerable needs associated with achievement of the Millennium Development Goals.

Lastly, he wished to know what measures the Directors of the four funds and programmes had taken to ensure increased staff competence in the field of general and macroeconomic policy. That sensitive task should be made a matter of priority.

Mr. DIOP (Senegal), noting that there was a logical link between PRSPs and the Millennium Development Goals, asked whether any additional measures were envisaged to help countries implement those Goals.

Mr. FURKINGTON (United Kingdom of Great Britain and Northern Ireland) said that, while he commended the efforts made to simplify the rules and procedures of United Nations funds and programmes, he would welcome further details of that somewhat drastic simplification, and of the criteria to be used in assessing progress in the matter. As more resources were allocated to development, it would be important to think of more effective ways of scaling up country programmes so that they benefited the population as a whole. That obligation applied not only to United Nations bodies, but also to the Governments of programme countries, which must take charge of programme execution and demand greater efficiency.

Mr. STENVOLD (Norway) pointed out that the simplification process called for an immediate increase in resources allocated to core activities. Such efforts were first and foremost the responsibility of donor countries, but the funds and programmes needed to contribute by pooling their resources and establishing joint programmes. Only joint efforts and greater coherence of activities, including at the country level, would lead to a real increase in effectiveness. In that context, he welcomed the creation of a new formula for UNDAF and, in particular, an increasing commitment by United Nations bodies to concerted action, especially through the holding of joint meetings by the funds and programmes. Norway hoped that those joint meetings would be institutionalized, and that official decisions would be taken in them on the basis of their deliberations. The country programme outlines, for example, would be an entirely appropriate topic for discussion at such meetings.

As one of the United Nations major contributors, Norway would follow closely and support the application of the Secretary-General's reform programme for each of the funds and programmes and the major specialized agencies. It would also monitor the implementation of activities at country level, in close collaboration with other donor countries. The resolve with which those reforms were undertaken would affect the general assessment of the United Nations bodies and would be a prerequisite for any increase in Norway's contributions.

Mr. ACHARYA (Nepal) expressed his satisfaction with the process of harmonization and simplification of procedures, and with the progress made in the UNDAF process. The results matrix would ensure greater coherence between United Nations activities in a given country. However, he would welcome further details on the financing and implementation of UNDAF, taking into account the needs of the countries concerned.

With regard to the link between the Millennium Development Goals and PRSPs, the latter had received particular attention, as resources for implementation of the programmes had been guaranteed. He would welcome details of how coordination between the two would be ensured, now that PRSPs had been extended to include trade, and would like to know whether there were already any concrete examples of such coordination.

Lastly, if United Nations bodies were to carry out better targeted, more diverse and more ambitious programmes, developed countries must undertake to increase funding for their execution.

Mr. MALLOCH BROWN (Administrator, United Nations Development Programme), replying to the question by the representative of Denmark on the possible participation of United Nations bodies in the harmonization efforts under way in Zambia, said that the Resident Coordinator of UNDP in Zambia had already been instructed to support those activities, and that UNDG was also expected to be involved.

Turning to the issue of potential disagreements between the World Bank and United Nations bodies, he said that debate was part of any healthy process, provided it was held in an agreed institutional framework. It was impossible to dissociate planning from financial realities. The partners needed to see what was feasible in the light of the resources available, and to establish to what extent PRSPs could and should take account of the Millennium Development Goals. However, it should be noted that if donors were to honour their commitment to contribute 0.7 per cent of their GNP to ODA, more resources could be devoted to poverty reduction.

As to the development of staff competencies in the light of the new tasks, it was true that staff would increasingly be expected to engage in general policy dialogue. That did not mean, however, that they would be required to possess the same level of macroeconomic expertise that was expected of World Bank or International Monetary Fund officials.

As part of the effort to pool resources, it was planned to use a mechanism whereby recipient bodies would not levy administrative charges on monetary transactions that they merely handled. Furthermore, the electronic system currently being installed by UNDP, UNFPA and other bodies would make it possible to provide donors with more coherent reports on the resources utilized for the various programmes. UNDP also proposed a system that would enable funds and programmes that were not represented in a given country to advertise their technical support services electronically, with a human support network to provide back-up through the subregional offices or headquarters where needed. UNDP field representatives would provide all necessary support. It remained to be seen how the various bodies would react to that proposal.

He agreed with the representative of Norway on the usefulness of holding joint meetings of the funds and programmes. It was regrettable, however, that national authorities failed to accord them the attention they deserved.

Ms. BELLAMY (Director General, United Nations Children's Fund) said that a new action plan to simplify and harmonize rules and procedures pertaining to country programmes would be implemented in Benin, Ecuador, Kenya, Niger and Pakistan. The appropriate conclusions would be drawn from the outcome of that experience. With regard to project staff, UNICEF did not need economists so much as education and health experts able to participate actively in the formulation of policies that responded to country priorities without neglecting social questions. In response to the issues raised by the Norwegian delegation, she said that the guidelines for joint programming should be finalized by the end of 2003 and would include clear provisions on the pooling of resources. Joint programming would be based on the results of the UNDAF process and aim at a reduction in operational expenditures. The UNDAF results matrix was an analytical tool based on Governments' requirements and including a resources component.

While the joint meetings of the Executive Boards were commendable, if they were to be truly useful, more active participation on the part of the countries concerned was required, and they would need to be a forum for more specialized contributions on various aspects of the programmes, such as governance or education.

Ms. OBAID (Executive Director, United Nations Population Fund), responding to the delegation of Denmark, said that the United Nations funds and programmes' comparative advantage over institutions such as the World Bank lay in the technical knowledge and skills they could bring to the programme countries. On the staff issue, UNFPA did not seek to recruit experts in macroeconomics, but needed persons competent in the field of health economics. One such expert recently recruited at headquarters was currently engaged in a comprehensive review of staff competencies, starting with the technical advisers in each country team, to assess whether they met the requirements of a given country. One of the main criteria in that regard was their capacity to engage in concerted policy-making.

Mr. MALLOCH BROWN (Administrator, United Nations Development Programme), replying to the question on the links between PRSPs and the World Trade Organization (WTO), said that several organizations, including the United Nations Conference on Trade and Development (UNCTAD), UNDP, the World Bank and the International Trade Centre (ITC), assisted countries in trade capacity-building. That process essentially consisted in identifying bottlenecks and preparing the WTO accession negotiations. However, if countries were to participate in and benefit from the global economy, they clearly needed modern infrastructures, especially ports and roads. It was at the PRSP level that those requirements needed to be determined. Unfortunately, more pressing needs often took precedence and, consequently, countries' PRSPs mostly failed to take such considerations into account.

Mr. GRAISSE (Deputy Executive Director, World Food Programme) assured the delegation of Denmark that the WFP staff was not exclusively comprised of lorry drivers. The organization chose its staff on the basis of their competencies in such fields as food security and nutrition. On the issue of joint meetings of the Executive Boards, he pointed out that holding those meetings regularly in New York would have financial implications.

Mr. SCHILLINGS (Netherlands) congratulated the four members of the UNDG Executive Committee on their achievements in simplifying and harmonizing rules and procedures. He wondered, however, whether the other members of the Group had accomplished as much or whether they might be at risk of lagging behind. He also wondered whether some of the simplification measures agreed might be introduced at the country level by the other actors concerned. He would welcome information on progress made in the drafting of the Secretary-General's report on the coordination of United Nations presence and technical assistance in the field, which was due to be submitted in the autumn of 2003.

The PRESIDENT noted that the United Nations funds and programmes entrusted with operational activities for development were subsidiary organs of the Economic and Social Council. The current substantive session was therefore an ideal forum for dialogue with UNDG. The session had provided an opportunity for a genuine dialogue, which had enabled the specific role of each element of the intergovernmental mechanism to be clarified. It might be a good idea to institutionalize exchanges of that sort.

Ms. BELLAMY (Director-General, United Nations Children's Fund) said that the Executive Boards of the four funds and programmes had undoubtedly made considerable progress in harmonizing and simplifying procedures in comparison with other institutions, particularly in view of the constant decline in their core resources. The process of enhancing financing mechanisms was ongoing, but cooperation in that regard at both the international and the country levels had already improved. They were ready to cooperate with other bodies working in the field, with effectiveness the common criterion.

Ms. OBAID (Executive Director, United Nations Population Fund) said that the process of formulating PRSPs must be open to all, including the poor, and multidimensional: in other words, it must deal not only with macroeconomic but also with social policies. She also stressed the crucial importance of demographic and reproductive health questions in achieving the Millennium Development Goals.

The PRESIDENT pointed out that it was first and foremost the developing countries that were called upon to honour the commitment they had made in the Millennium Declaration to promote the integration of the poor.

Mr. GRAISSE (Deputy Executive Director, World Food Programme) said that WFP continuously sought to collaborate with other bodies in the implementation of development activities other than its food aid programmes. However, in order to be able to maintain its activities in areas such as nutrition and provision of school meals, instead of being restricted to emergency humanitarian aid, it urgently needed additional resources.

Mr. MALLOCH BROWN (Administrator, United Nations Development Programme), referring to the measures taken by the other members of UNDG to simplify and harmonize their procedures, pointed out that the members of the Group's Executive Committee were leading the way. They designed new mechanisms that, while occasionally in need of refinement and adjustment, were beneficial to others. The UNDG programmes group had already accepted the results matrix and it would be advisable for UNDG to hold a meeting for all parties concerned at the end of the summer to discuss joint programming.

The Secretary-General's report on coordination to which the Netherlands delegation had referred was still in the drafting stages. Much had been accomplished over the past year, and a progress report would be submitted to the General Assembly in the autumn. Achieving coherence was everyone's business. If the funds and programmes put their own house in order, the programme countries and donors must follow suit.

The PRESIDENT thanked the speakers for their contributions to an immensely stimulating dialogue.

The meeting rose at 5.55 p.m.